

Message Text

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SUBJECT: BUILDING AND CONSTRUCTION SEMINAR MISSION

REF: STATE 102922

BUILDING AND CONSTRUCTION SEMINAR. FOLLOWING RESPONSES KEYED TO REFTEL: A. RECOMMEND MISSION CONCENTRATE ON TUNIS AND ALLOW AT LEAST TWO FULL DAYS FOR APPOINTMENTS WITH OFFICIALS IN MINISTRIES OF EQUIPMENT, PLAN, NATIONAL ECONOMY, SNIT (TUNISIAN NATIONAL COMPANY FOR HOUSING), THE DIRECTOR OF SCHOOL OF ENGINEERING (ENIT), AND THREE MAJOR WHOLESALERS OF CONSTRUCTION MATERIALS: SOTUMACO (TUNISIAN COMPANY FOR CONSTRUCTION MATERIALS), COMPAGNIE BATIMENT AND UNION GENERALE (ALSO BRICK MANUFACTURERS). VISITS COULD BE ARRANGED TO OBSERVE, ON SITE, CONSTRUCTION METHODS AND EQUIPMENT CURRENTLY EMPLOYED, ALSO POSSIBLE VISITS TO CEMENT MILL AND BRICK PLANTS, IN TUNIS AREA. B. SUGGESTED THEMES: SUGGEST MISSION SHOULD COVER FOLLOWING TOPICS THAT REPRESENT DEFICIENCIES IN THE CONSTRUCTION FIELD: 1) UTILIZATION OF NEW CONSTRUCTION MATERIALS: THIS THEME SHOULD COVER MATERIALS SUCH AS PLASTER TILE, SILICON-LIMESTONE BRICKS, LAMINATED WOOD, AND METAL SCAFFOLDING. THE USE OF ALUMINUM BASED PRODUCTS INCLUDING THOSE FOR AIR CONDITIONING SHOULD ALSO BE COVERED IN THIS THEME. 2) PREFABRICATED PRODUCTS: THIS SHOULD DEAL WITH

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MATERIALS SUCH AS STAIRS, SEPTIC TANKS, PREFABRICATED CONCRETE, ALUMINUM WINDOW FRAMES. 3) INDUSTRIALIZED BUILDING METHODS. INDUSTRIALIZED BUILDING METHODS HAVE BEEN LITTLE USED IN TUNISIA. ALTHOUGH SOME EXPERIMENTS HAVE BEEN MADE IN PREFABRICATION METHODS, THEY GENERALLY HAVE BEEN CARRIED OUT WITHOUT ANY NATIONAL STANDARDS. CONSIDERABLE INTEREST HERE IN LIGHT-WEIGHT PREFAB FOR CONSTRUCTION SITES, GASOLINE SERVICE STATIONS, ETC.

4) LOW-COST HOUSING (SEE PARA G BELOW). C. (SEE B). U.S. EQUIPMENT ENJOYS REPUTATION FOR QUALITY, LONGEVITY AND ADEQUATE SERVICES. TUNISIAN TECHNICIANS, HOWEVER OFTEN REMARK THAT U.S.-MADE MATERIALS ARE EXPENSIVE. MAIN OBSTACLE TO SELLING CONSTRUCTION MATERIALS IN TUNISIA IS THAT GOT PREFERS TO BUY MATERIALS IN COUNTRIES WHICH PROVIDE LONG-TERM, LOW-COST FINANCING AND SOMETIMES TRAINING. D. (SEE G). TUNISIAN CONSTRUCTION INDUSTRY GREW RAPIDLY DURING THE FOURTH PLAN (1973-76). ITS VALUE-ADDED INCREASED AT AN AVERAGE ANNUAL RATE OF 12 PERCENT.

E. MAJOR FOREIGN COMPETITION IS USUALLY FRENCH, ITALIAN AND GERMAN. FOR SILICON LIMESTONE BRICKS, MAJOR COMPETITION IS GERMANY, BELGIUM, AND HOLLAND. F. NO CONFLICTING EVENTS AT PRESENT TIME. MISSION SHOULD AVOID APRIL 9TH - TUNISIAN MARTYR'S DAY. G. GIVEN IMPORTANCE OF CONSTRUCTION INDUSTRY FOR CARRYING OUT THE INVESTMENT PROGRAM UNDER NEW DEVELOPMENT PLAN (1977-81) --PARTICULARLY IN HOUSING, TRANSPORTATION INFRASTRUCTURE, INDUSTRY, HOSPITAL AND SCHOOL CONSTRUCTION-EFFORTS ARE BEING PLANNED TO MAKE SECTOR MORE EFFICIENT. IN PARTICULAR, IT APPEARS THAT THERE IS URGENT NEED FOR INSTALLATION OF READY-MEX PLANTS AND PREFABRICATED COMPONENTS. COST OF USING FOREIGN CONTRACTORS TO CARRY OUT THE MORE COMPLICATED CONSTRUCTION PROJECTS OF PLAN IS OFFICIALLY ESTIMATED TO REACH HALF BILLION DOLLARS DURING 1977-81 OR 4 PERCENT OF TOTAL EXTERNAL CURRENT PAYMENTS DURING THIS PERIOD. THIS IS A LARGE COST, AS IT IS UNCLASSIFIED

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EQUIVALENT TO THE TOTAL EXPECTED INFLOW OF DIRECT FOREIGN INVESTMENT TO TUNISIA DURING THE PLAN. THE 1977-81 PLAN FORESEES SUBSTANTIAL GROWTH IN SUPPLY OF BUILDING MATERIALS. CONCERNING LOW-COST HOUSING, FIFTH PLAN FORESEES AN INVESTMENT PROGRAM OF 600 MILLION TD (\$1.4 BILLION) FOR THE CONSTRUCTION OF 125 THOUSAND NEW HOUSING UNITS, 64 PERCENT OF WHICH ARE PLANNED TO BE EXECUTED BY PUBLIC SECTOR. LTUNISIA'S NEW HOUSING POLICY, REFLECTED IF FIFTH PLAN, BASICALLY CONSISTS OF SHIFTING BULK OF PUBLIC

SECTOR HOUSING TO LOWEST TWO CATEGORIES KNOWN IN TUNISIA AS "LOGEMENT RURAL ET SUBURBAINS" (RURAL AND SUBURBAN HOUSING). CONCERNING FINANCING, PLAN FORESEES ONLY 5 PERCENT ANNUAL INCREASE IN CONSTRUCTION COSTS DURING THE PERIOD. PRICES OF IMPORTANT BUILDING MATERIALS HAVE RECENTLY BEEN INCREASED, WHICH RENDERS THESE PROJECTIONS AND FINANCING QUESTIONS SOMEWHAT PROBLEMATIC. THERE IS POSSIBILITY THAT CAPACITIES IN CONSTRUCTION AND SUPPLY OF CONSTRUCTION MATERIALS MAY BECOME BOTTLENECKS FOR THE FULFILLMENT OF TARGETS SET FOR HOUSING SECTOR. H. NA. I. POSSIBILITY FOR SPONSORSHIP BY MINISTRY OF NATIONAL ECONOMY OR PROFESSIONAL ASSOCIATION, BUT NO COMMITMENT. J. AS USUAL FOR TUNISIAN EVENTS, PRESENTATIONS AND PRINGED MATERIALS MUST BE IN FRENCH TO BE EFFECTIVE.

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